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MEMO

TO: House Insurance Committee Members

FROM: Michigan Retailers Association

SUBJECT: Support medication synchronization - SB 150

DATE: February 11, 2016

Michigan Retailers Association is the unified voice of Michigan's retail industry and represents more than 15,000 stores and ecommerce websites across the state. Of our nearly 5,000 members we represent 14 independent pharmacies with 17 locations and 8 chain pharmacies with 941 locations.

MRA's member pharmacies strongly support efforts to increase patient adherence to medications through programs like medication synchronization. As the face of neighborhood healthcare, community pharmacies have played an increasingly important role in improving overall patient care through pharmacy services such as health and wellness screenings, immunizations, medication therapy management, medication synchronization, and other evidence-based services.

How it works:
Under medication synchronization pharmacists and pharmacy staff are able to perform a monthly review of medications in conjunction with patient and physician input, which provides the opportunity to identify therapeutic and adherence issues that patients may be encountering. This model has improved adherence and patient care.

- Each patient enrolled in the medication synchronization program has a designated appointment day to pick up all medications.
- Pharmacy staff call patients in advance of their appointment to identify any changes to the medications and confirm that each prescription should be refilled.
- Pharmacists and pharmacy staff are able to perform a monthly review of medications, which provides the opportunity to identify therapeutic and adherence issues that patients may be encountering.
- To date, the model has proven successful in improving adherence and patient care, yet barriers exist to its successful expansion.

Results:
A recent study by Virginia Commonwealth University reviewed a medication synchronization program at a regional pharmacy chain. The report found that, in comparison to control subjects, patients in the medication synchronization program experienced stronger communication with the complete health care team, had 2.8 more refills/year resulting in 84 more days of medication and had 3.4 to 6.1 times greater

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odds of adherence. Those not enrolled in the medication synchronization program had a 52% to 73% greater likelihood of discontinuing their medication therapy.

In another study, researchers at Harvard Medical School found that when medications were not synchronized, patients had adherence rates that were 8.4% lower than patients for which medications were synchronized.

Barriers to synchronization/the need for SB 150:
While medication synchronization already happens today, barriers exist to its successful expansion. Synchronization can be costly for patients. Short-term prescriptions for the purpose of synchronizing medications require a co-pay and some health plans have not pro-rated co-pays based on days' supply, creating a financial disincentive for patients to embrace this successful adherence intervention. Pro-rated co-pays would reduce the patient out-of-pocket cost for starting on a medication synchronization program. Approval of SB 150 as passed by the Senate is needed to ensure that insurers provide a prorated daily rate for medications during the synchronization period.

SB 150 as passed by the Senate would further enable beneficiaries to synchronize their medications so that they could order and receive them on the same day each month, instead of having to make multiple visits to the pharmacy. This would reduce medication waste, as well as the poor healthcare outcomes that result from decreased medication adherence. Additionally, the legislation ensures that a pharmacy receives a full dispensing fee as determined by the contract it has with the individual or group health plan. Dispensing fees are associated with each dispensing event and should not be affected by medication synchronization. The pharmacy should not be penalized with a lower dispensing fee for dispensing pursuant to medication synchronization; the pharmacy overhead costs remain the same.

MRA strongly supports SB 150 since it addresses the barriers to synchronization while keeping the dispensing fee intact for each dispensing occurrence and encourages the committee to report the bill favorably without any amendments.

Medication Nonadherence is common and costly

75 percent
fail to take **medications as directed**[1]

33 percent
of **prescriptions are never filled**[1]

Up to 60 percent
of the time, **patients with chronic conditions do not take their medication**[1]

Approximately **125,000 deaths annually** are attributed to **nonadherence to medication therapy**[2]

Hospital readmissions

Adverse medication events (including patient nonadherence) are at the core of the readmission problem. This leads to treatment failures and wasted resources[3]

1. Bosworth HB; National Consumers League. Medication adherence: making the case for increased awareness. http://www.scriptyourfuture.org/wp-content/themes/cons/m/Script_Your_Future_Briefing_Paper.pdf. Accessed September 17, 2014.
2. American Hospital Association. Uncompensated Hospital Care Cost Fact Sheet. http://www.aha.org/content/13/1-2013-uncompensated-care-fs.pdf. Published January 2014. Accessed September 17, 2014
3. Institute for Safe Medication Practices. Reduce readmissions with pharmacy programs that focus on transitions from the hospital to the community. www.ismp.org/newsletters/acutecare/showarticle.aspx?id=36. Published November 15, 2012. Accessed June 1, 2014.

The economic cost of nonadherence

The total direct national cost of **nonadherence** for adults diagnosed with diabetes, hypertension, or dyslipidemia was **$105.8 billion**, or an average of **$453 per adult**, in 2010.[4]

Diabetes
37.9 percent of patients are **nonadherent**[5]

Asthma
80.2 percent of pediatric patients and **53.8** percent of adult patients are **nonadherent**[5]

Hypertension
28.1 percent of patients are **nonadherent**[5]

Dyslipidemia
27.2 percent of patients are **nonadherent**[5]

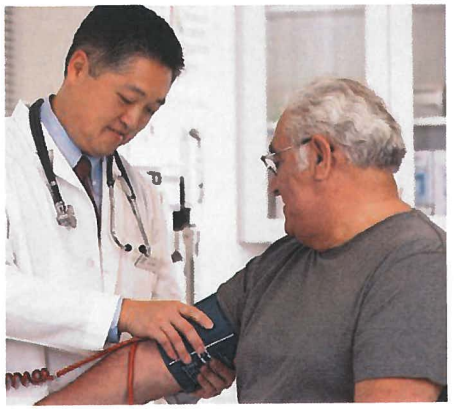
Preventable hospital readmissions cost the U.S. healthcare system **$25 billion** annually[6]

4. Nasseh K, Frazee SG, Visaria J, Viahiotis A, Tian Y. Cost of medication nonadherence associated with diabetes, hypertension, and dyslipidemia. *Am J Pharm Benefits*. 2012;4(2):e41-e47.
5. Express Scripts. Drug trend report. http://lab.express-scripts.com/~/media/previous%20reports%20pdfs/drug%20trend%20report%202012.ashx. Updated October 2013. Accessed March 19, 2014.
6. Pricewaterhouse Coopers' Health Research Institute. The price of excess: identifying waste in healthcare spending. http://www.pwc.com/us/en/healthcare/publications/the-price-of-excess.jhtml. Accessed April 29, 2014.

Improved adherence can impact your organization

Enhance clinical outcomes, patient satisfaction and quality of care

- Pharmacist counseling can significantly impact adherence and clinical outcomes[7-9]



Reduce healthcare costs

- Up to **19 percent** of discharged patients experienced an **adverse event after discharge**
  - — **Two-thirds** were attributed to **medications**
  - — **One-third** resulting in a hospital admission were related to **nonadherence**[10]

7. Bluml BM, McKenney JM, Cziraky MJ. Pharmaceutical care services and results in project ImPACT: hyperlipidemia. *J Am Pharm Assoc (Wash).* 2000;40(2):157-165.
8. Bunting BA, Smith BH, Sutherland SE. The Asheville Project: clinical and economic outcomes of a community-based long-term medication therapy management program for hypertension and dyslipidemia. *J Am Pharm Assoc (2003).* 2008;48(1):23-31.
9. Fera T, Bluml BM, Ellis WM. Diabetes Ten City Challenge: final economic and clinical results. *J Am Pharm Assoc (2003).* 2009;49(3):383-391.
10. Bosworth HB; National Consumers League. Medication adherence: making the case for increased awareness. http://www.scriptyourfuture.org/wp-content/themes/cons/m/Script_Your_Future_Briefing_Paper.pdf. Accessed September 17, 2014.